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Proposed programme budget for the biennium 2004-2005*

Part VIII
Common support services

Section 29B
Office of Programme Planning, Budget and Accounts

(Programme 24 of the medium-term plan for the period 2002-2005)**

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Section 29B
Office of Programme Planning, Budget and Accounts

(Programme 24 of the medium-term plan for the period 2002-2005)

Overview

29B.1 The Office of Programme Planning, Budget and Accounts is responsible for the implementation of subprogramme 2, Programme planning, budget and accounts, of programme 24, Management and central support services, of the revised medium-term plan for the period 2002-2005.

29B.2 The official accountable for managing this subprogramme is the Assistant Secretary-General, Controller, of the United Nations.

29B.3 The overall objectives of the subprogramme are to facilitate intergovernmental deliberations by the General Assembly and decision-making on the issues of planning, programming, budgeting and accounts of the Organization and to ensure the sound financial management of the Organization and the effective monitoring and management of its assets, including the provision of timely services to Secretariat and other users.

29B.4 The objectives of the subprogramme have been reflected in the responsibilities of the Office of Programme Planning, Budget and Accounts as detailed in the Secretary-General's bulletin ST/SGB/1998/13, dated 1 June 1998. They relate to the establishment of budgetary, accounting and financial management policies and procedures for the Organization, and the systematic strengthening of compliance with and administration of the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, and relevant legislative mandates.

29B.5 The proposals under this budget section reflect an internal reorganization within the Department of Management, whereby treasury services and contributions assessment and processing services, previously carried out under the financial management component of the programme of work of the Office of the Under-Secretary-General for Management, were reassigned to the Office of Programme Planning, Budget and Accounts and placed under the direct responsibility of the Controller.

29B.6 The overall level of resources for the Office under the regular budget amounts to $26,592,300 before recosting, reflecting a net increase of $263,800, or 1.0 per cent against the revised appropriation for 2002-2003. The increase relates to the proposals for new and reclassification of posts ($514,200) and replacement of office automation equipment ($65,300), partly offset by estimated decreases in requirements with respect to other staff costs and contractual services. The post proposals under this section comprise three new posts, four posts proposed for reclassification to a higher level and four posts proposed for conversion from temporary to established status.

29B.7 The proposals for the new posts include: (a) one P-4 post for a financial management officer within the Office of the Controller; (b) one P-4 post for a programme budget officer in the Programme Planning and Budget Division; and (c) one General Service (Other level) post in the Insurance and Disbursement Service of the Accounts Division.

29B.8 The proposals for reclassification of posts comprise the following: (a) one D-1 to the D-2 level for the post of United Nations Treasurer; (b) one P-5 to the D-1 level for the post of Chief, Common Services Service of the Programme Planning and Budget Division; (c) one P-4 to the P-5 level for the post of Chief, Payroll Section; and (d) one P-4 to the P-5 level for the post of Cashier.

29B.9 Finally, in view of the continuing functions of the Integrated Management Information System (IMIS) Support Unit of the Office of Programme Planning, Budget and Accounts, which have proved to be of a long-term nature, four temporary posts (1 P-5, 1 P-4, 1 P-3 and 1 General Service (Other level)) in this organizational unit are proposed to be converted to established post status.

29B.10 As in prior years, part of the budget of the Office will be financed from extrabudgetary resources derived from programme support income received as reimbursement for the services provided by the central administration for the extrabudgetary activities, funds and programmes. For the biennium 2004-2005, that component will amount to $16,430,000 in total, or 25.5 per cent of the total budget estimates for the Office. The Office is also financed through the support account for peacekeeping operations.

29B.11 The subprogramme's main expected accomplishments and indicators of achievement for the biennium 2004-2005 and the required resources are presented by main organizational units of the Office. The overall framework of these expected accomplishments and indicators of achievement is presented in table 29B.1.

Table 29B.1 **Framework of expected accomplishments and indicators of achievement by component**

Component	*Number of expected accomplishments*	*Number of indicators of achievement*
A. Executive direction and management	2	2
B. Programme of work		
1. Financial accounting and reporting	2	4
2. Programme planning and budgeting	3	3
3. Contributions assessment and processing	1	1
4. Treasury services	2	4
5. Financial services relating to peacekeeping matters	2	4
Total	**12**	**18**

29B.12 The percentage distribution of the total resources of the Office in 2004-2005 is as reflected in table 29B.2.

Table 29B.2 **Percentage distribution of resources by component**

Component	*Regular budget*	*Extrabudgetary*
A. Executive direction and management	8.0	6.2
B. Programme of work		
1. Financial accounting and reporting	50.7	50.5
2. Programme planning and budgeting	31.4	7.5
3. Contributions assessment and processing	3.9	2.7
4. Treasury services	6.0	7.4
5. Financial services relating to peacekeeping matters	-	25.7
Subtotal B	**92.0**	**93.8**
Total	**100.0**	**100.0**

Table 29B.3 **Resource requirements by component**

(Thousands of United States dollars)

(1) *Regular budget*

Component	*2000-2001 expenditure*	*2002-2003 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2004-2005 estimate*
			Amount	*Percentage*			
A. Executive direction and management	1 321.7	2 028.7	88.5	4.3	2 117.2	149.2	2 266.4
B. Programme of work							
1. Financial accounting and reporting	13 422.5	13 351.4	133.1	0.9	13 484.5	836.4	14 320.9
2. Programme planning and budgeting	7 979.3	8 394.6	(31.4)	(0.3)	8 363.2	578.4	8 941.6
3. Contributions assessment and processing	909.5	1 034.3	-	-	1 034.3	75.7	1 110.0
4. Treasury services	1 373.8	1 519.5	73.6	4.8	1 593.1	111.9	1 705.0
Total	**25 006.8**	**26 328.5**[a]	**263.8**	**1.0**	**26 592.3**	**1 751.6**	**28 343.9**

[a] Adjusted to reflect internal reorganization of the Department of Management.

(2) *Extrabudgetary*

	2000-2001 expenditure	*2002-2003 estimate*	*2004-2005 estimate*
Total	**27 754.7**	**35 091.3**	**36 033.5**
Total (1) and (2)	**52 761.5**	**61 419.8**	**64 377.4**

Table 29B.4 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2002-2003	*2004-2005*	*2002-2003*	*2004-2005*	*2002-2003*	*2004-2005*	*2002-2003*	*2004-2005*
Professional and above								
ASG	1	1	-	-	-	-	1	1
D-2	2	3	-	-	1	1	3	4
D-1	6	6	-	-	2	2	8	8
P-5	7	9	1	-	9	9	17	18
P-4/3	30	32	2	-	50	52	82	84
P-2/1	9	9	-	-	3	3	12	12
Subtotal	**55**	**60**	**3**	**-**	**65**	**67**	**123**	**127**
General Service								
Principal level	8	8	-	-	11	11	19	19
Other level	65	67	1	-	71	71	137	138
Subtotal	**73**	**75**	**1**	**-**	**82**	**82**	**156**	**157**
Total	**128**	**135**	**4**	**-**	**147**	**149**	**279**	**284**

A. Executive direction and management

Resource requirements (before recosting): $2,117,200

29B.13 The Assistant Secretary-General for Programme Planning, Budget and Accounts, Controller, establishes budgetary, accounting and financial management policies, procedures and guidelines for the Organization and exercises financial control of the resources of the Organization. In addition, the Controller provides the overall direction, management and coordination of the work programme of the Office and administers and ensures compliance with the Financial Regulations and Rules of the United Nations, as well as the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. The Controller advises the Secretary-General and the Under-Secretary-General for Management on policy matters with respect to the budget, work programmes and finances of the United Nations; represents the Secretary-General at meetings of intergovernmental and expert committees in the presentation of the budget outline, the biennial programme budgets, medium-term plans, peacekeeping budgets and budget performance reports; and represents the Secretary-General in other bodies and working groups of the United Nations system and other international forums on budgetary and financial matters.

29B.14 The IMIS Support Unit is also under the direct responsibility of the Controller. The Unit provides help-desk services for support in the day-to-day functioning of IMIS finance modules, services the needs of all users within the Office, and supports offices away from Headquarters on IMIS finance-related matters. In addition, the Unit writes and updates relevant desk operating procedures, organizes training on IMIS financial functionalities for users, provides assistance in resolving IMIS release 3 and 4 programme and process problems.

Table 29B.5 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective: To facilitate full implementation of legislative mandates and compliance with United Nations policies and procedures with respect to the management of the financial resources of the Organization and management of the programme of work and staff of the Office.

Expected accomplishments	*Indicators of achievement*
(a) The provision of more qualitative financial advice, leading to an increased understanding of financial management and control in the Organization	(a) Quality and timeliness of advice rendered
(b) Programme of work is effectively managed and supported by staff and financial resources	(b) Timely delivery of outputs and services

External factors

27B.15 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that clients are receptive to and willing to seek guidance early in the process and to follow instructions and advice on financial management and control, and that submissions for review and clearance are received with advance planning and with full justification to enable prompt attention.

Outputs

29B.16 During the biennium 2004-2005, the following outputs will be delivered:

(a) Servicing of intergovernmental/expert bodies: approximately 20 meetings of the Advisory Committee on Administrative and Budgetary Questions; approximately 10 meetings of the Committee for Programme and Coordination; and approximately 30 formal and informal meetings of the Fifth Committee of the General Assembly;

(b) Other substantive activities: representation at and convening of meetings with financial officials of the Secretariat, offices away from Headquarters and United Nations funds and programmes on issues of common concern (approximately 4 meetings);

(c) Advisory services:

(i) Advice on voluntary contribution financial agreements entered into between the United Nations and Governments, non-governmental organizations, private contributors, etc. (100);

(ii) Assistance to clients on the application of the Financial Regulations and Rules of the United Nations, procedures and policies (60);

(d) Administrative support and finance services: review and authorization of delegations of authority as they relate to financial matters (20).

Table 29B.6 **Resource requirements**

Category	Resources (thousands of US dollars) 2002-2003	Resources (thousands of US dollars) 2004-2005 (before recosting)	Posts 2002-2003	Posts 2004-2005
Regular budget				
Post	1 875.4	2 015.2	8	9
Non-post	153.3	102.0	-	-
Total	**2 028.7**	**2 117.2**	**8**	**9**
Extrabudgetary	2 562.6	2 233.8	7	7

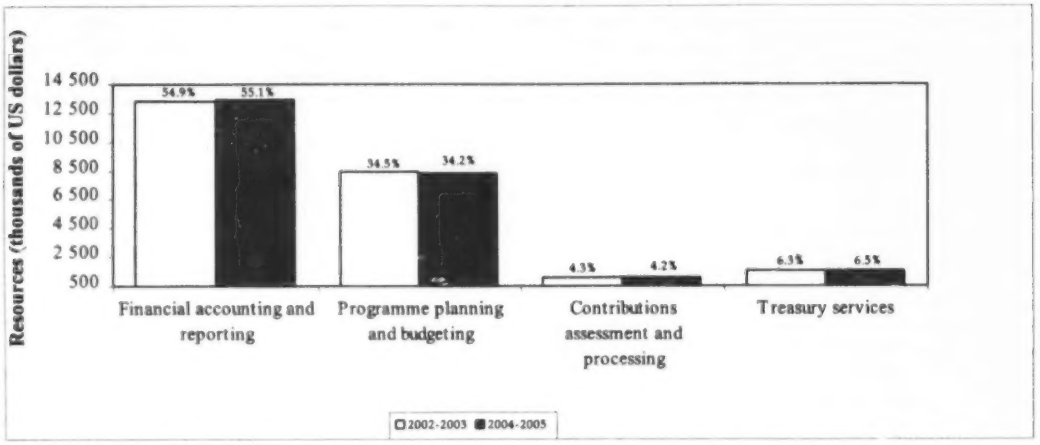
29B.17 Resources amounting to $2,117,200 will provide for nine posts (4 in the Office of the Controller and 5 in the IMIS Support Unit), overtime, travel of staff, general operating expenses, office supplies and office automation equipment in the Office of the Controller and general temporary assistance for the Office of Programme Planning, Budget and Accounts as a whole. An increase of $139,800 in post resources relates to one new P-4 level post to strengthen the financial management and policy capacity in the Controller's Office, including monitoring and advisory services pertaining to the application of the Financial Regulations and Rules of the United Nations and related instructions, and monitoring and evaluation pertaining to the use of delegated financial management authority. A decrease in non-post resources of $51,300 reflects the discontinuation of provision of resources ($53,500) for the *Repertory of Practice of United Nations Organs*, offset in part by an increase of $2,200 relating to the replacement of office automation equipment in accordance with the regular cycle. With regard to the *Repertory*, it should be noted that its production has been eliminated from this proposed programme budget, as the *Repertory* will no longer be produced.

B. Programme of work

Table 29B.7 **Resource requirements**

Category	Resources (thousands of US dollars) 2002-2003	Resources (thousands of US dollars) 2004-2005 (before recosting)	Posts 2002-2003	Posts 2004-2005
Regular budget				
1. Financial accounting and reporting	13 351.4	13 484.5	77	78
2. Programme planning and budgeting	8 394.6	8 363.2	35	36
3. Contributions assessment and processing	1 034.3	1 034.3	6	6
4. Treasury services	1 519.5	1 593.1	6	6
Total	**24 299.8**	**24 475.1**	**124**	**126**
Extrabudgetary	32 528.7	33 799.7	140	142

Regular budget resource requirements by component



1. Financial accounting and reporting

Resource requirements (before recosting): $13,484,500

29B.18 Responsibility for financial accounting and reporting is entrusted to the Accounts Division. During the biennium 2002-2003, the Division was reorganized into two major services, Financial Reporting Service and the Insurance and Disbursement Service, inter alia, to realign some of the responsibilities of the various units into a more logical structure that would provide improved client service.

29B.19 Building on its reorganization, during the biennium 2004-2005 the Division will further review processes and enhance systems in order to improve client service, including the timely processing of travel claims, payments to vendors and disbursement of staff entitlements, including separation payments. The Division will also continue to support the Claims Board and the Advisory Board on Compensation Claims, and coordinate and supervise all the health, life, property and liability insurance activities of the Organization. The Division will continue its efforts further to adapt to the changing world insurance market, so as to provide the most appropriate and cost-effective coverages for the assets of the Organization.

29B.20 In addition, the Accounts Division will continue to record all transactions of the United Nations at Headquarters after appropriate review to ensure that they are in compliance with the Financial Regulations and Rules of the United Nations and all applicable accounting standards, established procedures and practices; review and consolidate trial balances of offices away from Headquarters, including peacekeeping missions, and incorporate reports received from implementing agencies and other partners after ensuring accuracy and consistency in the application of policies; provide guidance to all offices on the accounting treatment for new types of situations and recommend changes in accounting policies, as appropriate; support enhancements to IMIS relating to accounting matters and provide guidance to other offices in its effective utilization; and prepare financial statements as required by the Financial Regulations and Rules, as well as ad hoc and special purpose statements required by other offices, specialized agencies and donors.

Table 29B.8 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective 1: To facilitate intergovernmental deliberations and decision-making on United Nations financial statements and accounts.

Expected accomplishments	*Indicators of achievement*
Accurate United Nations financial statements are provided on a timely basis	(a) Positive audit opinion of the Board of Auditors on the financial statements of the United Nations *Performance measures*: Type of audit opinion: clean, modified or qualified 2000-2001: Clean (benchmark) 2002-2003: To be determined Target 2004-2005: Clean (b) Availability of financial statements to the Board of Auditors within three months after the end of the financial period *Performance measures*: 2000-2001: On time 2002-2003: To be determined Target 2004-2005: On time

Objective 2: To ensure sound accounting of United Nations assets, liabilities, income and expenditures, and the timely disbursement of various financial obligations to staff, Member States, vendors and other entities.

Expected accomplishments	*Indicators of achievement*
Clients' needs are better met	(a) Increase in clients' level of satisfaction in terms of accuracy of the services provided with respect to the processing of travel claims *Performance measures*: 2000-2001: Not applicable 2002-2003: To be determined Target 2004-2005: 65 per cent (b) Increase in the percentage of travel claims that are processed within 30 days of receipt of all required documents *Performance measures*: 2000-2001: 52 per cent Estimate 2002-2003: 75 per cent Target 2004-2005: 90 per cent

External factors

29B.21 The Accounts Division is expected to achieve its objectives and expected accomplishments on the assumption that there are no delays in the submission and completeness of the relevant information for processing, and that there are no major outages or malfunctions in the computerized systems, including IMIS.

Outputs

29B.22 During the biennium 2004-2005, the following outputs will be delivered:

(a) Parliamentary documentation (regular budget/extrabudgetary): annual and biennial financial reports of the Secretary-General to the General Assembly;

(b) Published material (regular budget/extrabudgetary): technical material. Approximately 1,500 financial statements for the regular budget, peacekeeping operations, trust funds, technical cooperation activities, revenue-producing activities, operations established by the Security Council and other special-purpose funds;

(c) Administrative support services:

(i) Financial accounts (regular budget/extrabudgetary): review and processing of all receipts, payments, obligations and inter-office vouchers; analysis and reconciliation of accounts, including all receivables, payables, interoffice and bank accounts; review and consolidation of all accounts from field offices; provision of advice on accounting and financial matters and related systems to various offices, including offices away from Headquarters and peacekeeping missions; and development of new cost-effective accounting policies, practices and procedures, as appropriate;

(ii) Payments and disbursements (regular budget/extrabudgetary): payment of salaries and related allowances and other benefits; processing of income tax reimbursements; payments to staff upon separation from the Organization; processing of payments to vendors and other contractors; processing of travel claims; and preparation of reports and statements of earnings, including annual United Nations Joint Staff Pension Fund reports and schedules;

(iii) Systems support (regular budget/extrabudgetary): maintenance of chart of accounts and other finance-related reference tables in IMIS; development of ad hoc applications; systems liaison with other Headquarters systems; administration of the tax reimbursement system; and performance of local area network administration functions;

(iv) Management and coordination of all life, health, property and liability insurance activities; and study of alternative insurance plan structures as needed in the light of developments in worldwide insurance markets;

(v) Secretariat services to the Claims Board and the Advisory Board on Compensation Claims.

Table 29B.9 **Resource requirements: financial accounting and reporting**

	Resources (thousands of US dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	12 518.5	12 643.9	77	78
Non-post	832.9	840.6	-	-
Total	**13 351.4**	**13 484.5**	**77**	**78**
Extrabudgetary	17 730.3	18 184.2	83	83

29B.23 The resource requirements of $13,484,500 will provide for 78 posts, general temporary assistance, overtime, travel of staff, external printing, general operating expenses, office supplies and office automation equipment. An increase of $125,400 in post resources relates to: (a) a new General Service (Other level) post in the Insurance and Disbursement Service to accommodate the significant increase in servicing requirements for retiree enrolment under after-service health insurance and the increased administrative complexities associated with the management of commercial insurance and risk management matters; and (b) the reclassification of a P-4 post to the P-5 level for Chief of Payroll in the light of the increased complexities associated with the implementation of IMIS release 4 and its interaction with previous releases of IMIS modules 1 to 3. An increase of $7,700 in non-post resources is the net result of an increase in supplies and office automation equipment, partially offset by a decrease in general temporary assistance.

2. Programme planning and budgeting

Resource requirements (before recosting): $8,363,200

29B.24 Responsibility for programme planning and budgeting rests with the Programme Planning and Budget Division. During the biennium, the Division will continue to perform the following: (a) preparing and presenting to legislative bodies the proposals of the Secretary-General on programme and budgetary issues; (b) exercising central control over the implementation of the medium-term plan, the programme budget and extrabudgetary funds; (c) developing and monitoring the implementation of policies, procedures and methodology consistent with the relevant Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation; (d) providing departments and offices with advice and guidance on programme and budgetary matters; (e) implementing and operating relevant components of IMIS; and (f) providing the relevant legislative and advisory bodies of the United Nations with substantive services on programme and budgetary issues. In addition, the Division will focus on: strengthening cooperation with the Office of Internal Oversight Services on monitoring and evaluation issues, in order to enhance the integrated process of planning, budgeting, monitoring and evaluation; keeping under review and ensuring the successful and full implementation and evolution of results-based budgeting and, in this regard, strengthening its cooperation with the Department of Economic and Social Affairs as regards the operation of the Integrated Monitoring and Documentation Information System; and developing and implementing methods to increase the Division's orientation towards the needs of its clients, both within and outside the Secretariat.

29B.25 In the recent past, the Division has increased its attention to the financial functioning of the common support services area, given the consistently increasing complexity of support services with the progressive introduction of common services arrangements with the United Nations funds and programmes. The same area has received further attention with the initiation of activities related to the capital master plan. The Division has therefore redirected part of its resources through internal reorganization to the financial control and monitoring of the financial activities of the central administration as well as administrative services of the United Nations Office at Geneva, the United Nations Office at Vienna and the United Nations Office at Nairobi. The experience gained during the bienniums 1998-1999, 2000-2001 and 2002-2003 has indicated a need for greater expertise and capacity to deal with this complex area and to ensure adequate representation of the Division in the intergovernmental, inter-agency and interdepartmental meetings relating to common support services issues. That requirement is addressed through upgrading of the Common Services Unit of the Division to a Service and reclassification of the post of Chief of Service from P-5 to the D-1 level. The workload involved in financial planning, implementation and monitoring of the resources allocated to special political missions has been reviewed and pointed to the need for a new P-4 post to deal with the substantial increase in the composition and complexity of such missions and related budgetary work.

Table 29B.10 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective 1: To facilitate intergovernmental deliberations and decision-making on the programme planning and budgeting issues of the Organization.

Expected accomplishments	*Indicators of achievement*
(a) Improvement in the presentation of budget and medium-term plan documents (clarity, consistency, conciseness)	(a) Decrease in the number of criticisms by review bodies about the presentation of budget and medium-term plan documents *Performance measures*: 2000-2001: 9 Estimate 2002-2003: to be determined Target 2004-2005: 0
(b) Improved availability of budgetary documents	(b) Full compliance with the required submission date for the proposed programme budget fascicles in accordance with regulation 5.7 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation of the Methods of Evaluation and Financial Regulation 2.4. *Performance measures*: 2000-2001: 50 per cent Estimate 2002-2003: 53 per cent Target 2004-2005: 57 per cent

Objective 2: To strengthen budgetary control and monitoring of expenditures.

Expected accomplishments	*Indicators of achievement*
Improved budgetary control and monitoring of expenditures	Reduction in the number of budget sections where final expenditures deviate by more than 1 per cent from the final appropriations
	Performance measures:
	2000-2001: 11
	Estimate 2002-2003: 9
	Target 2004-2005: 7

External factors

29B.26 The Programme Planning and Budget Division is expected to achieve its objectives and expected accomplishments on the assumption that departments and offices follow the instructions and advice of the Programme Planning and Budget Division on the preparation of budget documents, expenditure control and budget implementation.

Outputs

29B.27 During the biennium 2004-2005, the following outputs will be delivered:

(a) Servicing of intergovernmental/expert bodies (regular budget/extrabudgetary):

(i) Substantive servicing of meetings: approximately 40 formal meetings and 100 informal consultations of the Fifth Committee; approximately 60 formal meetings and 100 informal consultations of the Committee for Programme and Coordination; and approximately 150 meetings of the Advisory Committee on Administrative and Budgetary Questions;

(ii) Parliamentary documentation: approximately 150 reports, including the proposed programme budget outline for the biennium 2006-2007 (1); the proposed programme budget for the biennium 2004-2005 (48 documents in fascicle form); budget performance reports for the biennium 2004-2005 (2); the proposed medium-term plan for the period 2006-2009; annual budgets and budget performance reports of the international criminal tribunals (6); reports to the Fifth Committee (30); statements of programme budget implications/revised estimates (45); reports to the Advisory Committee on Administrative and Budgetary Questions on specific matters (15); and conference room papers and additional information for legislative and advisory bodies as required;

(b) Other services provided:

(i) Assistance to the Fifth Committee and Committee for Programme and Coordination in the preparation of its reports to the General Assembly (approximately 50 reports);

(ii) Organizing/conducting results-based budgeting workshops and briefings (4);

(c) Administrative support and finance services:

(i) Review of budgetary issues in draft resolutions before legislative bodies and their subsidiary bodies and the preparation of reports on revised estimates and programme budget implications;

(ii) Authorizations, guidelines, advice and instructions; allotment advices and staffing table authorizations; requests to incur unforeseen and extraordinary expenses; review and analysis of annual cost plans and other proposals relating to extrabudgetary financing; and monitoring of expenditures;

(iii) Maintenance, updating and operation of the computerized budget information system and the management of data structure, data input and system control; monitoring of actual staff costs and inflation trends and creation of standard salary costs and establishment of budget costing parameters; and maintenance of vacancy statistics and certifying officers' panels.

Table 29B.11 **Resource requirements: programme planning and budgeting**

	Resources (thousands of US dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	7 475.3	7 650.7	35	36
Non-post	919.3	712.5	–	–
Total	**8 394.6**	**8 363.2**	**35**	**36**
Extrabudgetary	3 766.5	2 696.3	9	9

29B.28 The resource requirements of $8,363,200 relate to 36 posts, overtime, travel supplies and office automation equipment. The increase of $175,400 in post resources relates to: (a) a new P-4 post of programme budget officer to accommodate a substantial increase in programme planning and budgeting associated with a number of additional special political missions initiated over the last few years by the General Assembly and the Security Council; and (b) the reclassification of a P-5 post to the D-1 level for Chief, Common Services Service, to strengthen the Division's experience and level of representation in intergovernmental, inter-agency and interdepartmental meetings relating to common support services issues in view of the fact that the provision of administrative services through common service arrangements has become more widespread and complex throughout the United Nations system. The decrease of $206,800 in non-post resources is the net result of a substantial decrease in data-processing services in view of the completion of the new budget information system, partly offset by an increase in requirements for office automation equipment.

3. Contributions assessment and processing

Resource requirements (before recosting): $1,034,300

29B.29 Responsibility for contributions assessment and processing rests with the Contributions Service, which facilitates the work of the Fifth Committee, the Committee on Contributions and other bodies on questions related to the scale of assessments, contributions to the regular budget and

budgets of peacekeeping operations and other contributions issues, including the application of Article 19 of the Charter of the United Nations and the financial situation of the United Nations, through the preparation of documentation and the provision of technical and substantive support in cooperation with the Statistics Division of the Department of Economic and Social Affairs. It also provides support to pledging conferences for various United Nations activities. It strives to improve the timeliness and accuracy of the processing of assessed and voluntary contributions and of information on the status of contributions, a key component of the Organization's cash flow.

Table 29B.12 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective: To facilitate intergovernmental deliberations and decision-making on issues related to the scale of assessments of the United Nations.

Expected accomplishments	*Indicators of achievement*
Improvement in the timeliness of the provision of information on the scale of assessment issues to the Committee on Contributions and the General Assembly	Increase in the percentage of official documents and reports on issues relating to the scale of assessments submitted by the requested submission dates *Performance measures*: 2000-2001: 40 per cent Estimate 2002-2003: 60 per cent Target 2004-2005: 66 per cent

External factors

29B.30 The Contributions Service is expected to achieve its objectives and accomplishments on the assumption that the most recent information/data relevant to the scale of assessment and related issues are available on time and are accessible.

Outputs

29B.31 During the biennium 2004-2005, the following outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies:

(i) Substantive servicing of meetings: approximately 10 formal meetings and 25 informal consultations of the Fifth Committee on matters relating to the scale of assessments, peacekeeping assessments, the application of Article 19 of the Charter and other related issues; 42 formal and 8 informal consultations of the Committee on Contributions on the scale of assessments, the application of Article 19 and other related issues; and 4 pledging conferences for various United Nations activities;

(ii) Parliamentary documentation: preparation of documentation for the Committee on Contributions (25); in cooperation with the Statistics Division, conference room papers for the Committee on Contributions and the Fifth Committee (100); other ad hoc reports on the scale of assessments, financing of peacekeeping operations, the application of Article 19, measures to encourage payment of assessed contributions and related issues; and contributions in the preparation of reports on the financial situation of the United Nations (4);

(b) Other substantive activities:

(i) Recurrent publications: monthly reports on the status of contributions (24);

(ii) Non-recurrent publications: ad hoc reports on the scale of assessments, peacekeeping financing, the status of contributions and related issues;

(iii) Provision of ad hoc information about the scale of assessments, peacekeeping financing, the status of contributions and related issues, on request, Member States, organizations of the United Nations system and other international organizations;

(c) Administrative support services: issuance of assessments for the Working Capital Fund, the regular budget, peacekeeping activities, the international tribunals, non-member States and extrabudgetary activities (e.g., treaty bodies) (approximately 120); issuance of assessments to Governments for assessed and voluntary contributions; provision of assistance in monitoring the financial situation of the United Nations; and provision of information for and responses to the Board of Auditors on issues related to contributions.

Table 29B.13 **Resource requirements: contributions assessment and processing**

	Resources (thousands of US dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	994.3	994.3	6	6
Non-post	40.0	40.0	-	-
Total	**1 034.3**	**1 034.3**	**6**	**6**
Extrabudgetary	899.5	979.3	5	5

29B.32 The resource requirements of $1,034,300 provide for the continuation of six posts and the related requirements for non-post items, including overtime, travel of staff, maintenance and replacement of office automation equipment.

4. Treasury services

Resource requirements (before recosting): $1,593,100

29B.33 The Treasury ensures the timely receipt and safe custody of cash and works to improve payment systems in order to streamline processing, reduce costs and enhance security. It also maintains control mechanisms that protect payment systems and assets and ensures that cash concentration benefits are achieved.

Table 29B.14 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective: To ensure effective management and safeguarding of the Organization's cash resources.

Expected accomplishments	*Indicators of achievement*
(a) Improved efficiency and security of the Organization's cash management and payments systems	(a) (i) Reduction in the number of new implementable recommendations on cash management by audit bodies requiring implementation *Performance measures*: 2000-2001: 54 recommendations 2002-2003: 12 recommendations Target 2004-2005: 8 recommendations (ii) Maintenance of Treasury's loss-free record in safeguarding financial resources of the Organization *Performance measures*: Incidents of cash losses: 2000-2001: zero losses Estimate 2002-2003: zero losses Target 2004-2005: zero losses (iii) Increase in the percentage of automated (non-cheque) payments *Performance measures*: 2000-2001: 72 per cent 2002-2003: 75 per cent Target 2004-2005: 81 per cent
(b) Effectiveness of investment practices and related results maintained	(b) Investments secure with pooled returns equal or above 90-day risk-free return on government securities *Performance measures*: Rate of return of pooled United Nations investments vs. average annual United States 90-day Treasury bills: 2000: 8.66 per cent vs. 5.99 per cent 2001: 6.41 per cent vs. 3.48 per cent 2002: 5.2 per cent vs. 1.9 per cent 2003: to be determined Target 2004-2005: above the average annual 90-day United States Treasury bills

External factors

29B.34 No external factors affecting performance are expected.

Outputs

29B.35 During the biennium 2004-2005, the following administrative support services will be delivered (regular budget/extrabudgetary): daily monitoring of interest rates on short-term investments, maintenance of liaison with banks worldwide and providing training to offices maintaining resources of the Organization; administration of bank accounts worldwide; establishment of United Nations operational rates of exchange and monitoring of international currency exchange markets; investment of funds for short-term periods for the United Nations regular budget, peacekeeping operations, general trust funds, technical cooperation funds, the escrow account, the funds of the United Nations Environment Programme and other funds; cash management; planning for cash requirements for Headquarters and offices away from Headquarters; and receipt and recording of all payments other than assessed government contributions, and disbursing funds under the responsibility of Headquarters.

Table 29B.15 **Resource requirements: treasury services**

	Resources (thousands of US dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	1 272.4	1 346.0	6	6
Non-post	247.1	247.1	-	-
Total	**1 519.5**	**1 593.1**	**6**	**6**
Extrabudgetary	2 107.4	2 676.3	11	13

29B.36 The resource requirements of $1,593,100 relate to six posts and the related requirements for non-post items. The increase in resources of $73,600 relates to the following post reclassification proposals: (a) one D-1 to the D-2 level for the post of Treasurer in the light of the scope, complexity and magnitude of the Treasurer's money management responsibilities, including investment, convertibility and exchange rate issues and a significantly expanded short-term investment function; and (b) one P-4 to the P-5 level for the post of Cashier in view of the increased responsibilities and complexities in policy formulation, coordination and management of disbursement procedures and payment processes, and determination of daily cash position for short-term investment purposes, stemming from the impact of changing technological requirements in cashier operations utilizing sophisticated software (e.g. IMIS-related and Chase banking software); these responsibilities include, inter alia, the implementation of a cash/investment system in Treasury by integrating IMIS, the Overseas Private Investment Corporation (OPICS) investment software, and the Society for Worldwide Interbank Financial Telecommunications bank messaging system for payments and reports.

5. Financial services relating to peacekeeping matters

Resource requirements: financed exclusively by the support account for peacekeeping operations

29B.37 The Peacekeeping Financing Division is responsible for financial services relating to peacekeeping matters. During the biennium 2004-2005, the Division will continue to focus on: (a) establishing policies, procedures and the methodology for the estimation of resource requirements and providing policy guidance, consistent with the Financial Regulations and Rules of the United Nations, on matters relating to the financing of peacekeeping operations; (b) preparing and presenting to legislative bodies the Secretary-General's annual budgets and performance reports, related liquidation budgets and reports on the disposition of assets, annual reports on the support account for peacekeeping operations and other reports concerning administrative and budgetary aspects of the financing of peacekeeping operations; (c) statements to the Security Council and other reports on activities authorized by the Security Council in its resolutions; (d) monitoring the financial status of peacekeeping trust funds and maintaining liaison with donor Governments on disposition of residual balances; (e) monitoring the cash-flow status of the special accounts for each peacekeeping operation and authorizing payment to Governments for settlement of certified death and disability, contingent-owned equipment and letters-of-assist claims; (f) determining average monthly troop strengths, establishing amounts reimbursable and initiating payments in relation to troop-cost reimbursement to Governments; and (g) providing substantive services for the relevant legislative and advisory bodies of the United Nations.

29B.38 Emphasis will be placed on refining and improving processes for budget formulation, monitoring and analysis of financial budget performance, in addition to standardized budget formats and presentations of budgets and financial performance reports for individual peacekeeping operations. The Division will continue to improve on internal financial management techniques contributing to peacekeeping operations being administered with maximum efficiency and economy.

29B.39 During the biennium 2002-2003, the Division implemented the results-based budgeting methodology for the first time in the presentation of the budget for the support account for peacekeeping operations, in the peacekeeping financial period from 1 July 2002 to 30 June 2003. Further improvements have been made in the presentation of resource proposals for the peacekeeping financial period 1 July 2003 to 30 June 2004, taking into account recommendations of the Advisory Committee on Administrative and Budgetary Questions. Further improvements will be made in the application of the methodology to the support account budget for the peacekeeping financial period from 1 July 2004 to 30 June 2005 within the biennium 2004-2005.

29B.40 In the biennium 2002-2003, initial steps were taken to implement objective-setting in the peacekeeping missions in accordance with General Assembly resolution 55/220 C of 14 June 2001, which was applied to the mission support component only. During the biennium, further improvements were made in objective-setting, which comprised for each mission four frameworks that linked the objective of the relevant Security Council resolution with the planned results. The methodology applied is consistent with the programme budget and the support account. The frameworks reflect the planning assumptions of the missions, based on strategic guidance from the senior management at Headquarters. Further improvements, which include establishing systems for data collection and performance measurement for ultimate reporting on the attainment of results and the production of outputs, are planned for the biennium 2004-2005.

29B.41 Other initiatives undertaken in the biennium 2002-2003 that will ultimately improve management efficiencies are implementation of a new policy on increased autonomy in budget management for peacekeeping missions and the development of an information technology tool for budget monitoring and funds management. During the biennium 2004-2005, these initiatives will be reviewed for lessons learned and further enhanced to support management decision-making on the utilization of resources in peacekeeping missions and at Headquarters.

Table 29B.16 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective: To facilitate intergovernmental deliberations and decision-making on the budgetary and financial aspects of peacekeeping operations and to ensure the effective monitoring and management of the Organization's assets, as well as the provision of timely support services.

Expected accomplishments	*Indicators of achievement*
(a) Improved provision of information to the Security Council, the General Assembly, other intergovernmental bodies and troop-contributing countries to make fully informed decisions on issues relating to peacekeeping	(a) (i) Percentage of peacekeeping budgets and performance reports that are submitted by the requested submission dates *Performance measures*: 2000-2001: not available Estimate 2002-2003: 50 per cent Target 2004-2005: 100 per cent (ii) Increase in the percentage of positive feedback from the Advisory Committee on Administrative and Budgetary Questions and the General Assembly on the quality of budgets and performance reports submitted *Performance measures*: 2000-2001: not available Estimate 2002-2003: 20 per cent Target 2004-2005: 50 per cent
(b) Increased efficiency and effectiveness in conducting, directing and supporting peacekeeping operations in financial and budgetary matters	(b) (i) Increase in the percentage of payments to troop-contributing countries that are made quarterly based on respective missions' ability to pay. *Performance measures*: 2000-2001: not available Estimate 2002-2003: 60 per cent Target 2004-2005: 100 per cent (ii) Proportion of chief administrative officers that rate the Division services as satisfactory *Performance measures*: 2000-2001: not available Estimate 2002-2003: survey to be conducted Target 2004-2005: survey to be conducted

External factors

29B.42 Significant external factors that may affect the achievement of the expected accomplishments are the timing and nature of mandates approved by the Security Council that frame the establishment, extension, expansion and scope and scale of activities of individual peacekeeping operations and consequently their related resource requirements. The respective missions' ability to pay is affected by payment by Member States of their assessments.

Outputs

29B.43 During the biennium 2004-2005, the following outputs will be delivered:

(a) Servicing of intergovernmental/expert bodies (extrabudgetary):

(i) Substantive servicing of meetings: approximately 30 formal meetings and 60 informal consultations of the Fifth Committee; and approximately 100 meetings of the Advisory Committee on Administrative and Budgetary Questions;

(ii) Parliamentary documentation: submission of approximately 100 reports on budget estimates and budget performance reports to the General Assembly on the financing of active missions, status of the financial position of closed missions and final budget performance reports on missions in liquidation, and reports on administrative and budgetary aspects of the financing of the United Nations peacekeeping operations; and submission of approximately 30 written presentations to the Advisory Committee on Administrative and Budgetary Questions on specific peacekeeping financing issues;

(b) Administrative support and finance services:

(i) Budgetary control: issuance and revision of allotments and staffing table authorizations (70);

(ii) Monitoring of financial status: managed cash position for special accounts of peacekeeping operations and utilization of the peacekeeping reserve fund (24);

(iii) Payment to Governments: payment letters to troop-contributing countries for reimbursement of troop c ..ts (100);

(iv) Liaison with Governments: discussions with representatives of Member State, including troop-contributing countries, on financial matters in respect of peacekeeping operations and liabilities of missions;

(v) Enhanced web-based funds monitoring tool to include benchmarking of budget performance and personnel incumbency.

Table 29B.17 **Resource requirements: financial services relating to peacekeeping matters**

	Resources (thousands of US dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	-	-	-	-
Non-post	-	-	-	-
Total	-	-	-	-
Extrabudgetary	8 025.0	9 263.6	32	32

29B.44 The resource requirements of the Division are financed from the peacekeeping support account and, for the biennium 2004-2005, reflect proposals to be considered by the General Assembly at its resumed fifty-seventh session in May 2003.

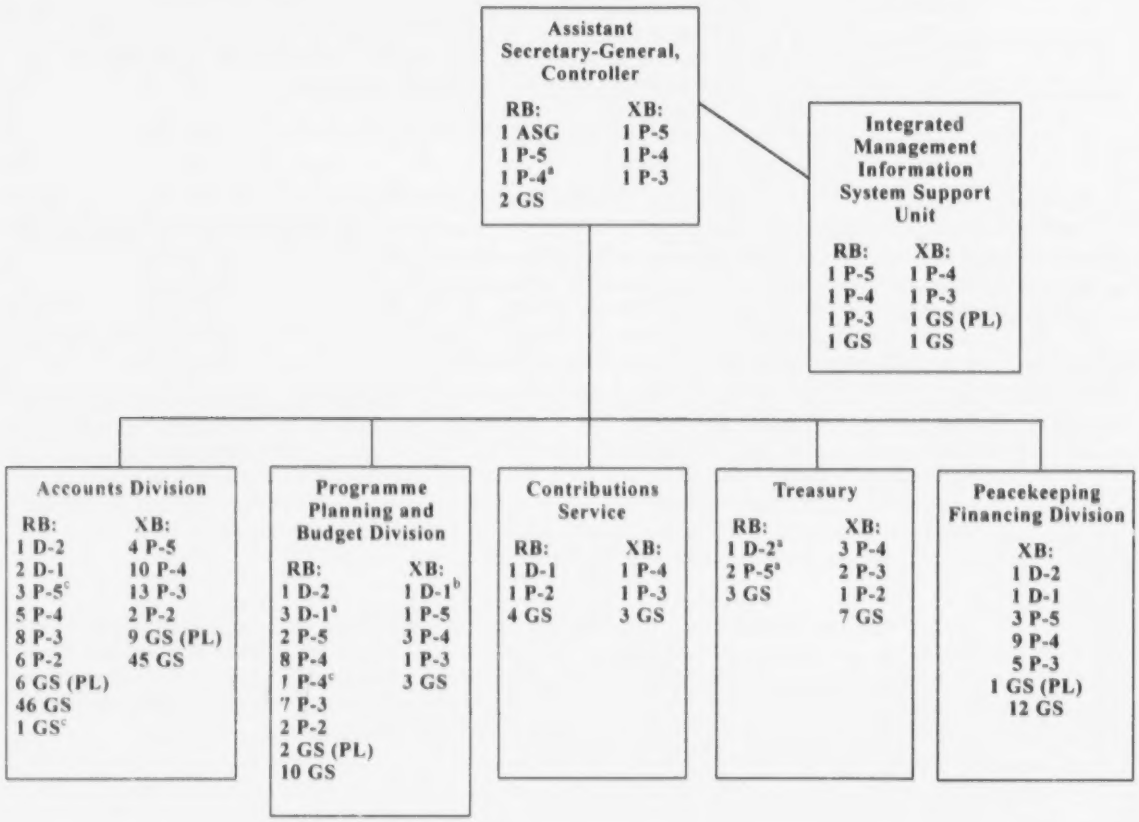
Table 29B.18 **Summary of follow-up action taken to implement relevant recommendations of the Advisory Committee on Administrative and Budgetary Questions and the Board of Auditors**

Brief description of the recommendation	*Action taken to implement the recommendation*
Advisory Committee on Administrative and Budgetary Questions (A/56/7)	
The Advisory Committee expressed the view that Section 27B [of the proposed programme budget for 2002-2003] was a good example of the efforts made in terms of drafting the proposed programme budget in the results-based budgeting format. At the same time, some indicators of achievement should have been more specific. For example, the indicator of achievement for improved availability of budget documents should have indicated the estimated number of budgetary documents that would be submitted in conformity with financial regulation 3.5 and regulation 5.7 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation (ST/SGB/2000/8) (para. VIII.12)	While most of the indicators of achievement have basically remained the same and some have been reformulated by using "as evidenced by", the results-based budgeting format of the proposed programme budget for 2004-2005 includes performance measures that are statistics in themselves, such as the number of budget sections of which final expenditures deviate by more than 1 per cent from the final appropriations, or are derived from statistics such as percentage of programme budget fascicles submitted by the requested submission dates
The Advisory Committee stressed the importance of the participation of programme managers at the highest levels in results-based budgeting training, and expressed the view that the accountability compact between the programme manager and the Secretary-General should use the expected accomplishments and performance indicators as elements for accountability (para. VIII.13)	Senior programme managers were encouraged to attend results-based budgeting workshops. Along with the one-day workshops, six special briefings were conducted at Headquarters, the United Nations Office at Geneva and the United Nations Office at Nairobi, and were specifically targeted for senior programme managers. The importance of the expected accomplishments and performance indicators as elements for accountability have been emphasized in these training workshops and briefings. The degree of involvement of programme managers in training still varies from department to department. However, the overall level of interest and involvement by the senior officials on results-based budgeting implementation has risen considerably throughout the Secretariat

Brief description of the recommendation	*Action taken to implement the recommendation*
Board of Auditors (A/57/5 (vol. 1), chap. II)	
The Board recommended that the Office of Programme Planning, Budget and Accounts: (a) review the application of the provisions of the United Nations Finance Manual in relation to the United Nations system accounting standards in order to address the inconsistency in the recording of unpaid pledges; and (b) apply consistently the accounting policy on recognition of income in trust funds (para. 27)	The accounting policy on the treatment of unpaid pledges for technical cooperation trust funds has been revised effective 1 January 2002 in order to remove the inconsistency noted by the Board
The Board reiterated its previous recommendation that the Office of Programme Planning, Budget and Accounts take action to review trust funds whose purposes had long been attained in order to identify and close those that were inactive and no longer required (para. 35)	Dedicated resources have been assigned to this task
The Board recommended that the Administration enhance the applied deposits user session to ensure that all information entered by the Treasury in the session were made available as read-only data and that the Central Accounts Section be responsible only for the classification of the collection deposited during the session (para. 129)	The Administration is satisfied with the current functionalities in IMIS, given that an audit trail of action taken by the Office of Programme Planning, Budget and Accounts is generated in IMIS, and continues to believe that the current functionalities are appropriate
The Board recommended that the Administration include the enhancement of the budget information system interface programme in the new budget information system to accommodate the requirement of posting budget data to the ensuing year and to eliminate the performance of incompatible functions, such as developers participating in database production operations (para. 144)	The requirement of posting budget data to the ensuing year is being taken into account as part of the enhancement to the interface programme developed in conjunction with the new budget information system
The Board recommended that the Administration consider interfacing the operations processing control system and IMIS, with the interface project comprising a composite group of representatives from, among others, the Accounts Division, the Treasury and IMIS (para. 160)	The Treasurer and the Director of the Accounts Division have designated project leaders to work with the IMIS team on the interface. The project is under implementation
The Board recommended that the Office of Programme Planning, Budget and Accounts, in coordination with the IMIS reports team, use the IMIS function to efficiently generate statements of account (para. 164)	The Office of Programme Planning, Budget and Accounts is reviewing the optimal way to generate these billing statements for accounts receivable, including adaptation of a Lotus Notes application recently developed by the United Nations Office at Vienna

Office of Programme Planning, Budget and Accounts

Organizational structure and post distribution for the biennium 2004-2005


Assistant Secretary-General, Controller
RB: 1 ASG, 1 P-5, 1 P-4[a], 2 GS
XB: 1 P-5, 1 P-4, 1 P-3
Integrated Management Information System Support Unit
RB: 1 P-5, 1 P-4, 1 P-3, 1 GS
XB: 1 P-4, 1 P-3, 1 GS (PL), 1 GS
Accounts Division
RB: 1 D-2, 2 D-1, 3 P-5[c], 5 P-4, 8 P-3, 6 P-2, 6 GS (PL), 46 GS, 1 GS[c]
XB: 4 P-5, 10 P-4, 13 P-3, 2 P-2, 9 GS (PL), 45 GS
Programme Planning and Budget Division
RB: 1 D-2, 3 D-1[a], 2 P-5, 8 P-4, 1 P-4[c], 7 P-3, 2 P-2, 2 GS (PL), 10 GS
XB: 1 D-1[b], 1 P-5, 3 P-4, 1 P-3, 3 GS
Contributions Service
RB: 1 D-1, 1 P-2, 4 GS
XB: 1 P-4, 1 P-3, 3 GS
Treasury
RB: 1 D-2[a], 2 P-5[a], 3 GS
XB: 3 P-4, 2 P-3, 1 P-2, 7 GS
Peacekeeping Financing Division
XB: 1 D-2, 1 D-1, 3 P-5, 9 P-4, 5 P-3, 1 GS (PL), 12 GS

Abbreviations: RB, regular budget; XB, extrabudgetary; PL, Principal level.

[a] One post is reclassified upward from a lower level post.

[b] Outposted to the Department of Economic and Social Affairs for financial matters related to technical cooperation.

[c] New post.